

WHERE THE HELL IS WALCHA, AND WHAT'S A BLOODY TELECOTTAGE

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Where The Hell Is Walcha

The small country town of Walcha is situated 90kms north east of Tamworth in northern NSW. The Oxley Highway winds through the scenic mountains at an altitude generally over 1000 metres then down to the central north coast at Port Macquarie. The town exists as a service centre for the rich grazing properties and the, now Malaysian owned, timber industry. Armidale, only 70 kms to the north offers excellent educational facilities and a wide range of retail and government services.

Walcha has a shire population of 3,300 people with 1,800 living in the town. There is no TAFE, Skillshare, CES, DSS (or equivalent) in fact it has no Federal services at all. A central school provides K-Y12 public education, the Police Station provides 7 am to 11 p.m. service and there is a good, but threatened community health service and hospital.

Why Walcha

In 1991 Associate Professor Graham MacKay of the Dept of Continuing Education at the University of New England was looking at the possibility of encouraging community based education utilising computer and communication technology. Walcha and Moree, on the western slopes, were chosen as pilot sites. The Rural Development Centre U.N.E. had already completed a study on telecottagesⁱ in Europe and how they could be adapted to the Australian situation. At around the same time Telecom Australia's Consumer Division, then based in Brisbane, decided to add impetus and sponsored a FutureSearch seminar in Walcha. The Moree pilot had been abandoned by this stage whereas the Walcha group had eagerly taken up the idea of computer based classes.

The FutureSearch revealed an apparent willingness by the community to get behind the establishment of a telecottage and Telecom agreed to contribute \$10,000 over two years to assist with salary costs for a co-ordinator. The position was advertised and I was subsequently appointed for a total of 20 hours per week.

The Walcha Telecottage is a registered trading name of a non-profit community advancement society The Walcha Technology Co-operative Limited with shares available to all members of the community. The co-operative has 9 voluntary directors and myself as the Executive Officer. The members of this management group boast seven university degrees including a PhD, an M.A. and an honours. We have a Council representative, a representative of the Aboriginal community, the President of the Arts Council and three accredited trainers.

At the time of our opening the media showed considerable interest, especially in the fact that a little country town like Walcha should lead the way in such a technologically advanced concept. Strangely enough, very few of the media people and even fewer of the Walcha people really understood the concept. When I was appointed as the co-ordinator of the Telecottage in April 92, I was definitely one of the latter group.

Assoc. Prof. MacKay continued support by providing a total of 7 computers, a printer and the addition of basic office equipment, ie; fax, answering machine, desks and chairs. The Telecottage was situated in an old unused primary school building (circa 1880) approximately 500 metres from the main commercial centre of the town.

We continued the adult education classes and these provided a small amount of cash flow, however we realised that our first priority had to be the procurement of further funding. We applied to the Federal Department of Primary Industries & Energy (DPIE), Rural Division, for funding under the Rural Access Program and received \$22400. This amount provided \$15,000 for salaries and \$7,400 for additional hardware.

The Telecottage now boasted a training room with 6 Mac Classics and 4 Windows PC's, a network printer, assorted software and a fully operational office. On July the 4th, 1992 Mr. Mike McKieve, Managing Director of Telecom Australia's, Consumer Division, declared Australia's first Telecottage open.

Within six months Byron Bay in northern NSW and Cygnet near Hobart in Tasmania followed Walcha's lead. The DPIE announced the Telecentre program as part of the Rural Communities Access Program and \$2.7 million over 5 years was budgeted.

Other Telecentre Development

Telecentres or telecottages originated in the Scandinavian counties of Europe as a way to overcome the isolation imposed by the severe winters. The concept proved successful and has since been exported to most Western European countries including France, Ireland, U.K., and Greece. Telecentres also exist in Canada, U.S.A., Africa, South America and of course Australia. Although we came into the concept fairly late, Australia is now considered one of the world leaders in utilising telecentres in remote rural locations.

With the assistance of seed funding from the Dept. Primary Industries and Energy some 80 telecentres have been established with a further 44 funded by the West Australian Government and a few privately operated sites, the number currently stands at around 130 throughout the nation.

The fact that all of these telecentres are located in rural areas is no co-incidence. Rural communities have been confronted with the barriers of isolation since first settlement. More recently State and Federal Governments have centralised or regionalised services, leaving the smaller rural communities gasping for a fair bight of the cake. Regionalisation has become one of the greatest threats to the small rural community. With very few exceptions our politicians have implemented "regional

development” policies which are almost always exclusively focused on “regional centres”. Major country towns such as Tamworth, Ballarat, Toowoomba all benefit from the sporadic pangs of guilt which occasionally wrack the conscience of our urban based leaders.

Unfortunately these so-called regional development policies often work to concentrate services in major centres and thus they only accelerate the economic decline of the smaller rural towns eg. If you have to drive to Tamworth to lodge a form, you might as well buy your Christmas gifts and groceries at the same time.

Walcha's Quest for Self Sufficiency

It was always obvious that the Telecottage would never survive on the meagre income from adult education classes and so we immediately started the quest for paid work. We were literally prepared to do anything. Some of our early tender applications included ‘intelligent mail handling’, where we unsuccessfully tried to convince the client that people stuffing envelopes were just as intelligent as machines stuffing envelopes. We tendered for batch billing, license printing, label sticking you name it we tendered for it. The common response was “where the hell is Walcha and what’s a telecottage”.

We even offered to do work for DPIE for free, juts to get a track record. But they couldn’t think of anything for us to do! Eventually a kind lady, who had never actually been to Walcha but knew of our efforts, was sitting with one of her clients in Sydney and suggested giving us a try with some data processing. The work involved typing the names, addresses and other details from the carbon copy of 30,000 hand written receipts from the Salvation Army Red Shield Appeal 1992. We eagerly agreed to take the job for the handsome sum of 4 cents per record.

We recruited and trained over 30 people. This obviously only allowed an average of 1000 cases per person and a potential gross of \$40 each. But after nine months of

rejection we had work and were going to share it around. The financial side was a negative but suddenly the town people were talking about “work at the Telecottage” and this changed the previous scepticism to support. The customer was happy with our work and we went on to process over 120,000 receipts that year and a further 160,000 the following year.

While we were doing the Red Shield job a fellow from NSW Agriculture dropped in to ask a couple of simple questions. He was amazed to see what we were doing and impressed by our “can do” attitude. As a result he asked us to quote on a telephone survey of farmers, which we subsequently won and completed to his full satisfaction. This job was worth over \$15,000 and we were on our way.

We now had a track record and again the media gave us invaluable coverage with headlines “JOBS FOR THE BUSH” and the like. It had become obvious that chasing tenders was a complete waste of time. I honestly believe that the majority of these are worded so as to formalise existing commercial relationships whilst giving an impression of genuine competition. In 1993 we did tender for and were accepted on the Federal Government Data Processing Period Contract BG-151. Over the life of this three year contract we did not receive one enquiry from any government department or eligible organisations. It did however allow us to advertise that we were approved data entry providers to the Federal Government and this probably did help swing a few jobs.

In 1995, again as a result of a personal contact of Graham MacKay’s, we were invited to quote for the data entry of the National Church Life Survey. This quadrennial event involves a detailed survey of over 350,000 Protestant churchgoers in Australia. The client greeted our initial quote with considerable scepticism, because we were far too cheap. The scepticism was founded on past experience when the contracted data entry company could not complete the job on time or at the price. This resulted in the job being sent overseas at the last minute and a less than satisfactory product.

I tried to explain our operation, the very low overheads (we pay \$60 per week for rent including power and heating), and the fact that most of our workers operate from their own homes using their own computers. I assured the client that we would be paying award rates and would gladly enter into a legally binding contract with strict quality and delivery clauses. Negotiations dragged on over six months and finally the client advised me that they had decided to split the job 50-50 between us and a Melbourne based company. At this stage I decided to stick my neck out and I thanked the client for the work but I also pointed out that with only half the job they would go from being our number one customer to “just another job”. And even if the Melbourne company wouldn’t admit it, they would feel the same way. Less than one hour later the phone rang, we had whole job and “we better not let them down”.

The actual work commenced in October 1996 and employed, to various degrees, 34 people for up to 5 months. We begged borrowed and rebuilt old PC’s which were then given to those who didn’t already have their own. The majority of people worked from home picking up boxes of forms and dropping floppy disks by the box full. By our agreement we had to verify 15% of all the data and maintain a minimum 98% accuracy. Furthermore we had to guarantee a peak delivery of 50,000 cases per week. In the wash up we completed the job on time, at the price and with an accuracy rate of 99% plus.ⁱⁱ

We have since gone on to provide the same NCLS organisation with data processing services on a number of smaller surveys including the most recent attender survey (November 97) of 20,000 people answering over 200 questions. Evidence of a satisfied customer!

What Else Do We Do

We gained further funding from DPIE under the Telecentre program, which covered part of our overhead costs for two years and has allowed for further hardware purchases and upgrades. With DPIE funds we have been able to purchase a decent

photocopier, a small colour copier, some serious desk top publishing Macs, a laser printer, video camera, player and editing suite, a colour scanner, modems, networks, upgrade our PC's and most recently a full video conference system.

In 1996 we took the bold step and took out a loan for \$15,000 from the State Bank to purchase a new printing machine to replace our ageing copier. This was indeed a bold move, as it required all 9 of our voluntary directors to disclose their financial information and individually secure the loan.

Why do we need a \$15,000 printing machine? The Apsley Advocate of course. In 1993 we were approached by a number of local groups and businesses who expressed dissatisfaction with the existing local newspaper, a subsidiary of Rural Press. It appeared that advertising was expensive and when placed often had to compete with non-local businesses who took out regional advertising packages. It was also claimed that local editorial submissions were neglected in favour of more regionally based material.

We took up the challenge and launched the Apsley Advocate, a 12 page A4 format community newspaper. The paper was produced entirely in house using our photocopier to print the weekly 500 copies. The Advocate included a TV guide and was distributed free through the local supporting businesses. As you would expect the Rural Press people did not like what we were doing and went to considerable lengths to stop us. The Advocate today is printed two colours front and back page, often runs to 16 pages with a circulation of 1200 copies including 700 delivered to all rural mail boxes in the shire. It is still free to all readers and the Rural Press people still don't like what we are doing.

We also do a significant amount of general small print jobs. We already have a printer in Walcha and so we are very careful not to take any of his business. But everywhere else is open slather and again with our low overheads combined with our very good technology we are very competitive. We print a range of tourism

brochures, booklets and stationery including a recent run of 10,000 A3 double folded two colour brochures for the New England Bed & Breakfast/Farmstay Association.

We provide a secretarial service to town people and businesses and this generates probably 10% of our turnover. This has also developed into the provision of marketing service and support. Design of higher impact advertising, managing customer mailing lists, direct mail campaigns etc. all contribute to our cashflow and the benefit of our business community.

In 1995 the Walcha Council contracted us to provide tourism information and promotion services. Under this agreement we have conducted art, movie and craft festivals, art workshops and many other cultural activities. This has culminated in the establishment of the Walcha Arts Council which operates under our patronage.

The Internet

In August 97, as President of the Australian Rural Telecentres Association (ARTA), a colleague and I had a meeting with Optus to discuss the options offered by VSAT technology to small rural communities. At the time we expressed our concern over the threat posed by the Internet. Our words were met with stunned silence as the two Optus executives exchanged glances and then finally admitted “no-one had ever described the Internet as a threat before”.

The nearest ISP to Walcha is based in Armidale, 70 kms north of the town. The normal day time rate for calls from Walcha to Armidale is \$12.80 per hour. Add this to the normal ISP charges and you can see the problem. Telstra do offer a 1300 local call access but at \$7 per hour this still places remote users at a distinct disadvantage.

We could provide a local server with a 64kbit ISDN link to Armidale, however Telstra want \$12,480 per annum which equates to \$178 per kilometre per annum. A Sydney to Melbourne link costs only \$15,000 or \$15 per kilometre per annum.

Where is the equity in that? We have looked at VSAT which would appear to offer great potential to remote communities but unfortunately the carrier appears to have difficulty seeing that potential.

At a time when business is shrinking, the agricultural economy is endemically depressed and government services are being withdrawn. The last thing rural commercial communities need is access to the global market for all of their old customers. Or at least that could be the case. The alternative of course is that the small businesses can use the Internet to expand their otherwise declining market. Unfortunately this is not really happening and there are a number of reasons for this, primarily a lack of realisation of the potential and the cost of access. I can foresee that by 2010 the commercial base of small towns within say 150kms of regional centres will to all intents cease to exist.

We currently provide a local Intranet and a public access Internet facility and we will probably eventually have to pay Telstra's price and accept an ISDN link to allow our community real access. The Federal Government's "Networking the Nation" Regional Telecommunications Infrastructure Fund (RTIF) allows for this, but I am not comfortable about taking money from the sale of Telstra and paying it straight back to Telstra.

On a brighter side we at the Telecottage use the Internet extensively. All of our data transfers to clients are done on the Internet, while e-mail has revolutionised the way we communicate with the world. We have also been able to make a few dollars by creating web pages for people and organisations.

The Future

What do telecentres offer rural Australia? The answer to this depends on how long it takes our government and business leaders to realise not only the potential, but also the absolute necessity of accepting and utilising telecentres and teleworking.

Last year I was invited to attend a strategic planning meeting of the NSW Roads & Traffic Authority. The meeting was of a small group of experts in traffic planning, telecentres and teleworking. The traffic experts opened the discussion by admitting that Sydney's road system was not going to be capable of handling the traffic in 2000 even without the added pressure of the Olympics.

The expert panel then joined a group of managers and senior bureaucrats to discuss the attitudes and options. The outcome is available as a publication from RTA ¹.

For telecentres to succeed they need either continued government funding or the opportunity to gain paid work in the form of data entry, managing information services etc. Existing government information services such as DPIE's Countrylink would be an ideal example of the type of work that doesn't have to be done in an expensive ACT office. Help desks, advisory services and even the management of computer systems can all be decentralised.

In 1977, as an exercise to keep the pot boiling, I sent out many letters to our political leaders with an offer to manage the "National Gun License Database". I received a response from the Office of Government Information Advice, the section who advises the relevant ministers on technology issues, which was not only condescending but also patently ignorant. In a letter to Ian Sinclair, our local member, I described the OGAI response as a typical Sir Humphrey Fob Off.

The OGAI basically suggested that security both physical and personnel were of too much importance to entrust to a telecenter. I had never realised that having access to steel window bars, locks and alarm systems was exclusive to the ACT. Nor did I realise that Federal Public Servants were actually bred for their integrity and reliability. I had always thought that it was something to do with their selection and work contracts.

¹ Marie Edwards RTA 1997

It is interesting that The Walcha Telecottage has performed work for virtually every religious denomination in Australia. It certainly isn't due to my personal piety. Could it be that they recognise good value, good service and the importance of supporting and excellent community initiative.

Many telecentres now offer video conference, ISDN, ISP or POP services. Technology is not the issue, it is the attitude of our decision makers.

Dr. Graham MacKay and myself in conjunction with ARTA and hopefully with the support of Federal funding under RTIF and NSW Government are currently working to establish a teleworking/telecentre evaluation and accreditation program. Hopefully once this is established we can then go on to broker Telecentre services and telework between business, government departments and the "teleproviders" not only in rural areas but throughout all of Australia.

ⁱ Horner & Reeve 1991

ⁱⁱ Congratulations from the NCLS